

Message Text

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PAGE 01 HONG K 09698 240413Z
ACTION EB-08

INFO OCT-01 EA-10 IO-13 ISO-00 AGRE-00 CIAE-00 COME-00
INR-10 LAB-04 NSAE-00 SP-02 STR-07 TRSE-00 FRB-03
OMB-01 /059 W
-----034399 240415Z /20

R 240341Z JUL 78
FM AMCONSUL HONG KONG
TO SECSTATE WASHDC 1892
INFO AMEMBASSY SEOUL
USMISSION GENEVA

C O N F I D E N T I A L HONG KONG 9698

SEOUL FOR TEXTILE DELEGATION

STATE FOR EB/TEX

GENEVA FOR PHELAN

E.O. 11652: GDS
TAGS: ETRD, HK
SUBJECT: TEXTILES: STATUS OF CATEGORY 645/646 IN US BILATERAL
WITH HONG KONG

1. WHEN US/HK TEXTILE BILATERAL WAS NEGOTIATED, A SPECIFIC LIMIT
FOR MERGED CATEGORY 645/646 WAS SET AT 1, 130,687 DOZENS FOR THE
FIRST AGREEMENT YEAR. PARAGRAPH 12 OF THE AGREEMENT MADE TREATMENT
OF THAT CATEGORY IN SUBSEQUENT YEARS SUBJECT TO CONSULTATION; A
DIFFERENT BASIS (E.E., 1,202,858 DOZENS) WAS TO BE USED FOR THE
PURPOSE OF ESTABLISHING LIMITS FOR THE SUBSEQUENT YEARS.

2. USG AND HKG TEXTILE DELEGATIONS WERE UNABLE DURING JULY
17-21 CONSULTATIONS TO AGREE ON TREATMENT OF CATEGORY 645/646
AFTER 1978. HONG KONG DEL POINTED OUT THAT, IN PARAGRAPH 24 OF
THE AGREEMENT, USG WAIVED ITS ARTICLE 3 RIGHTS WITH RESPECT TO
PRODUCTS COVERED BY THE AGREEMENT; HE SUGGESTED THAT, IN
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ABSENCE OF MUTUAL AGREEMENT, USG WOULD THUS HAVE NO RIGHT
UNILATERALLY TO RESTRAIN THIS CATEGORY. USDEL QUESTIONED
WHETHER, IN SUCH A CASE, THIS CATEGORY WOULD BE
"COVERED BY THE AGREEMENT". EVEN IF COVERED, THE PROVISIONS
OF THE AGREEMENT MAKE CLEAR THAT IT WAS THE INTENTION OF
BOTH PARTIES THAT THIS CATEGORY BE RESTRAINED IN SOME
MEANINGFUL WAY, WITH SPECIFIC REFERENCE TO 1,202,858 DOZENS;

THUS UNILATERAL CONTROL BY THE USG WOULD BE LEGAL AND
APPROPRIATE SHOULD MUTUAL AGREEMENT ON TREATMENT NOT BE
REACHED.

3. ACTION REQUESTED: DEPARTMENT IS REQUESTED TO GET LEGAL
OPINION ON STATUS OF CATEGORY 645/646 AFTER 1978, AND ON
THE AVAILABILITY TO USG OF ARTICLE 3 SHOULD THIS POINT
NOT BE MUTUALLY AGREED BEFORE 1979. FYI: HKDEL ACKNOWLEDGED
THAT 645/646 IS A SENSITIVE CATEGORY WHICH WOULD NORMALLY BE
SUBJECT TO BASL TREATMENT, E.E., LOWER THAN NORMAL GROWTH,
PRESUMABLY THREE PERCENT.
SHOESMITH

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NNN

Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, NEGOTIATIONS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition History: n/a
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TAGS: ETRD, HK
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